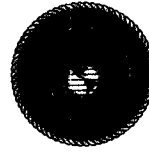


DEPARTMENT OF DEFENSE



BUSINESS INITIATIVE COUNCIL (BIC)


12 JUN 2002

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DIRECTOR DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
DEPARTMENT OF DEFENSE GENERAL COUNSEL
DEPARTMENT OF DEFENSE INSPECTOR GENERAL
DIRECTOR OF OPERATIONAL TEST AND EVALUATION
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Business Initiative Council's (BIC) Approval of Initiatives

The BIC Executive Steering Committee and Executive Directors briefed the BIC on May 31, 2002, and recommended approval of the fifth set of BIC initiatives. The BIC approved the five initiatives presented for approval, as well as the recommendation that 16 broader topics be developed as potential BIC initiatives. Summaries of the approved initiatives are attached. The BIC champions for these initiatives are hereby authorized to develop and launch their implementation plans. While undertaking these efforts, they carry my authority, on behalf of the Senior Executive Council, which is chaired by the Secretary of Defense. Therefore, I expect the full support and cooperation of all staffs across the Department.

Approval of this fifth set of initiatives continues the efforts by the BIC to improve the Department's business operations. In addition, we have identified and approved for study, a set of potential initiatives that are broader in scope and more ambitious, in terms of complexity and potential benefits. Some of these initiatives will require a considerable amount of time and effort on your part to complete. I know that you recognize the potential of these initiatives to improve our operations, and ask you to continue your enthusiastic participation in the BIC effort.


E. C. ALDRIDGE, JR.
Chairman

Attachment

BUSINESS INITIATIVE COUNCIL

Chairman: Under Secretary of Defense for Acquisition, Technology &
Logistics: The Honorable E. C. Aldridge, Jr.

Secretary of the Navy: The Honorable Gordon R. England

Secretary of the Air Force: The Honorable Dr. James G. Roche

Secretary of the Army: The Honorable Thomas E. White

Vice Chairman of the Joint Chiefs of Staff: General Peter Pace

Under Secretary of Defense Comptroller: Secretary Dov S. Zakheim

Under Secretary of Defense for Personnel and Readiness: The Honorable David S. Chu

Title: Pioneer Projects

Description of Initiative: These projects use a variety of sourcing arrangements, such as the Federal Acquisition Regulation (FAR) Part 15 – commercial cost comparison; divestiture; direct service contracts, re-engineering/ technology insertion; and/or the further expansion of privatization efforts in order to transition non-core competencies to the private sector. An example is the Desktop Management Services initiative under which a Defense Agency will outsource desktop computing hardware, software's and support services as a new requirement and will negotiate with the private sector to accomplish this divestiture. These initiatives will contribute to achieving the goals of the President's Management Agenda.

Title: Buy-to-Budget

Description of Initiative: In the annual budget process, Congress approves both a dollar value and a specific quantity for each major procurement end item. In cases where DOD is able, to buy greater quantities with no additional dollars due to effective negotiation and contractor efficiencies, current policy requires that DOD request prior Congressional approval before acquiring the additional quantities. Obtaining prior approval is a time-consuming process. This initiative would allow DOD to purchase the increased quantities without prior approval, provided a valid requirement exists for the higher quantities.

Title: Simplify Physical Access Control at DOD Installations & Facilities by Using the Common Access Card (CAC)

Description of Initiative: Eliminate the necessity for DOD personnel to be issued and carry additional physical access badges, when they are issued the Common Access Card.

Title: Eliminate Unnecessary Reports

Description of Initiative: This initiative implements a process to routinely evaluate potential unnecessary, duplicative or excessive reporting requirements. Reports to be eliminated will be identified through the eight BIC Process Functional Boards.

Title: Embedded Instrumentation (EI)

Description of Initiative: Establish Acquisition policy that requires all systems to have an integrated set of embedded instrumentation for diagnostics, prognostics, testing, and training, if it is considered reasonable and practical, based on a Business Case Analysis. EI is an enabling tool for transformation processes for logistics, including concepts such as "just-in-time" maintenance and supply; for testing, a better understanding of system operation during test; and for training, as well as expansion of "in-the-field" training opportunities. EI will provide cost savings and an enhanced level of force readiness across DOD.